

Harding Lawson Associates

May 18, 1999

46038

Ms. Joann Ornelas

Integrated Environmental Services, Inc.

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additional \$3,236 in cost for HLA labor, representing a 33 percent increase over the nine-day budget for the fieldwork.

- HLA's original estimate for waste soil handling and soil bins was \$1,800. Due to the demands placed on the drilling crew by the aggressive schedule and rigorous field protocols, it was necessary for the drilling contractor to bring another equipment operator to the site to operate a forklift for the transfer of soil from the drilling locations to the soil bins. This resulted in an unbudgeted additional cost of \$3,335.
- HLA's original estimate was based on completion of the work in nine, 10-hour workdays. Instead, overtime of approximately 1.5 hours per drilling employee was incurred almost every day during drilling activities in an attempt to meet the aggressive project schedule. This has resulted in an additional \$1,073 of overtime charges that have been billed to HLA by the drilling subcontractor.

CLOSING

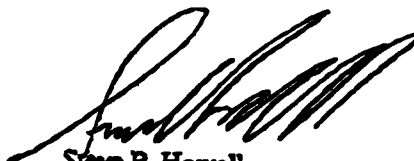
The attached table lists each of the above items along with the additional cost incurred by HLA, excluding the rental costs for the waste containers. We request that IES increase our budget for this project by \$10,914 as shown on the attached table.

Please contact Mark Clardy at (949) 260 - 1800 if you have any comments or questions regarding this letter.

Yours very truly,

HARDING LAWSON ASSOCIATES

Mark W. Clardy
Senior Geologist
Project Manager



Steve P. Howell
Managing Principal

MC/SH/mc
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Attachment: Cost Breakdown